



UNITED STATES DEPARTMENT OF EDUCATION  
OFFICE OF INSPECTOR GENERAL  
KANSAS CITY OFFICE

8930 Ward Parkway, Suite 2401  
Kansas City, Missouri 64114-3302



AUDIT SERVICES

FAX (816) 823-1398

Telephone (816) 268-0500

INVESTIGATION SERVICES

FAX (816) 268-0526

AUG 20 2004

Dr. Janece Martin  
Director of Vocational Programming  
Rolla Technical Institute  
1304 East 10<sup>th</sup> Street  
Rolla, MO 65401-3699

Dear Dr. Martin:

This Final Audit Report (Control Number ED-OIG/A07-E0013) presents the results of our audit of Rolla Technical Institute/Center (RTI).<sup>1</sup> Our objective was to determine if RTI was in compliance with the requirement that, to be eligible to participate in the Title IV Student Financial Assistance (SFA) programs, postsecondary vocational institutions must admit as regular students only individuals who have a certificate of graduation from a high school or its equivalent or are beyond the age of compulsory school attendance. This requirement is defined in sections 101(a)(1) and 102(c) of the Higher Education Act of 1965, as amended (HEA).

### AUDIT RESULTS

We found that RTI is materially in compliance with the requirement set out in sections 101(a)(1) and 102(c) of the HEA. Thus, within the scope of our review, we found that RTI is eligible to participate in the Title IV SFA programs.

Under sections 101(a)(1) and 102(c) of the HEA, in order to participate in the Title IV programs a "postsecondary vocational institution" must, among other requirements, admit "as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate . . . ."

<sup>1</sup> For ease of reading, the auditee is referred to as Rolla Technical Institute (or RTI) throughout this document, while in fact the subject of the audit was both RTI and Rolla Technical Center. The two names refer to different units but they are one institution for administrative and fiscal purposes, as well as for the purpose of their participation in the Title IV programs.

Section 102(c)(2) further provides that the “term ‘postsecondary vocational institution’ also includes an educational institution in any State that, in lieu of the requirement in paragraph (1) of section 101(a), admits as regular students persons who are beyond the age of compulsory school attendance in the State in which the institution is located.”

At 34 C.F.R. § 600.2, a “regular student” is defined as a “person who is enrolled or accepted for enrollment at an institution for the purpose of obtaining a degree, certificate, or other recognized educational credential offered by that institution.”

Based on data from RTI’s electronic student information system (the VSR-4), we found that during our audit period, Academic Year (AY) 2002-03, RTI enrolled 134 junior high and high school students who were not above 16 years-of-age, which is the age of compulsory school attendance in Missouri. However, all but 2 of these 134 students were not enrolled as regular students in that they did not receive any credit for their RTI courses that would count towards an RTI degree, certificate, or other recognized educational credential. Of the remaining 2 individuals, who were enrolled as regular students, one became 16 years-of-age within 2 months of the date of enrollment and the other became 16 years-of-age within 4 months of the date of enrollment. These exceptions occurred because RTI enrolled students based on their grade level and not their age.

#### **RTI Comments and OIG Response:**

RTI provided comments to our draft report. As a result of RTI’s comments, we performed additional audit work which led us to conclude that RTI was materially in compliance with the requirements of sections 101(a)(1) and 102(c) of the HEA. Based on the exceptions noted, we recommend that RTI implement policies and procedures to prevent the enrollment of any student who is not beyond the age of compulsory education in its postsecondary programs.

### **BACKGROUND**

RTI is one of 58 area technical schools in Missouri. The Missouri State Board of Education is RTI’s accrediting agency for Title IV purposes. In addition to serving postsecondary students, RTI serves junior high and high school students from 12 school districts in and around the city of Rolla. Administratively, it is part of the Rolla Public School District. RTI identifies its mission as providing students with seamless school-to-work experiences.

The RTI Internet site notes that it offers 23 programs. In AY 2002-03, RTI enrolled approximately 920 individuals in these programs. The RTI director stated that RTI courses taken by high school students count as electives toward their high school graduation requirements. During AY 2002-03, RTI students received \$1,076,048 in Title IV financial aid, i.e., \$580,078 in William D. Ford Federal Direct Loan disbursements, \$469,192 in Federal Pell Grants, \$12,778 in Federal Supplemental Educational Opportunity Grants, and \$14,000 in Federal Work Study assistance.

### **OBJECTIVE, SCOPE, AND METHODOLOGY**

Our objective was to determine if RTI was in compliance with the requirement that postsecondary vocational institutions must admit as regular students only individuals who have a certificate of graduation from a high school or its equivalent or are beyond the age of compulsory school attendance in order to be eligible to participate in Title IV SFA programs.

To accomplish our objective, we

- Reviewed the HEA and federal regulations;
- Reviewed state law regarding the age of compulsory school attendance;
- Reviewed hard-copy student files;
- Reviewed print-outs from the VSR-4; and
- Interviewed RTI managers and staff.

We randomly selected 39 of the 94 student files from 3 programs in which both high school and postsecondary students had been enrolled (Fire & Rescue, Machine Technology, and Graphic Design) for our review. We tested the accuracy, authenticity, and completeness of the data in the school's electronic student information system by comparing them to source records in the 39 hard-copy student files we had selected. We concluded that the data contained in these systems were sufficiently reliable to be used in meeting the audit's objective.

We performed on-site fieldwork at RTI offices from February 2 through February 6, 2004, on which day we held a field exit conference. We conducted additional review and analyses of the materials we had obtained in our Kansas City office from February 9 through February 27, 2004, and held a final exit conference on March 4, 2004. We issued the Draft Audit Report on May 17, 2004. We received the RTI response to our Draft Audit Report on June 14, 2004, and followed up additional information RTI

provided in its response with another site visit performed from July 6 through July 9, 2004. We conducted the audit in accordance with generally accepted government auditing standards appropriate to the scope of the audit described above.

### **STATEMENT ON MANAGEMENT CONTROLS**

We did not assess RTI's management control structure applicable to its participation in Title IV programs because it was not necessary to achieve our objective.

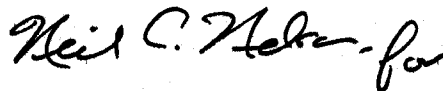
### **ADMINISTRATIVE MATTERS**

Since there are no findings that require resolution, you are not required to respond to this audit report.

In accordance with the Freedom of Information Act (5 U.S.C. § 552), reports issued by the Office of Inspector General are available to members of the press and general public to the extent information contained therein is not subject to exemptions in the Act.

We appreciate the cooperation and assistance extended by you and your staff during the audit. If you have any questions about this report, please call Janice D. Keeney at (816) 268-0500. Please refer to the control number in all correspondence related to the report.

Sincerely,

A handwritten signature in black ink, appearing to read "Neil C. Nelson for", written over the printed name of Richard J. Dowd.

Richard J. Dowd  
Regional Inspector General  
for Audit